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Proposed programme budget for the biennium 2016-2017

Human resources management

United Nations common system

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2015*

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, describes the administrative and financial implications resulting from the decisions and recommendations of the International Civil Service Commission for the common system, in particular for the proposed programme budget of the United Nations for the biennium 2016-2017. In the interest of providing comprehensive information, the statement also describes the implications for the budgets of peacekeeping operations for the 2015/16 and 2016/17 peacekeeping financial periods.

Should the General Assembly approve the recommendations of the Commission, the budgetary implications are estimated at a net reduction of approximately $16,827,900 under the proposed programme budget of the United Nations for the biennium 2016-2017 and would be addressed in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period.

* An advance version of the report of the International Civil Service Commission for 2015 (A/70/30) was used in the preparation of the present statement.

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The budgetary implications for peacekeeping operations for the financial period 1 July 2015 to 30 June 2016 are estimated at a net increase of $83,600 and would be considered in the context of the performance reports for the period; and the resource requirements for the peacekeeping financial period are estimated at a net increase of $40,000 for the financial period from 1 July 2016 to 30 June 2017 and would be taken into account in the preparation of the upcoming related proposed budgets.

I. Introduction

1. The annual report of the International Civil Service Commission for 2015 (A/70/30) contains decisions and recommendations that would have an impact on the proposed programme budget of the United Nations for the biennium 2016-2017, the budget of peacekeeping operations for the 2015/16 peacekeeping financial period as well as the upcoming proposed peacekeeping budgets for the 2016/17 financial period, related to the following issues:

(a) Conditions of service applicable to the Professional and higher categories of staff and the General Service and other locally recruited categories of staff: mandatory age of separation and the comprehensive review of the common system compensation package;

(b) Remuneration of the Professional and higher categories: review of the base/floor salary scale;

(c) Remuneration of the General Service and other locally recruited categories: survey of best prevailing conditions of employment for General Service and related categories in New York, Kingston and London.

II. Conditions of service applicable to the Professional and higher categories of staff and the General Service and other locally recruited categories

A. Mandatory age of separation

2. The Commission recommends to the General Assembly that the implementation date for raising the mandatory age of separation to 65 for staff recruited before 1 January 2014 should be in 2016 and at the latest by 1 January 2017, and should take into account the principle of acquired rights.

3. The implementation in 2016 (or 2017) of a revision to the mandatory age of separation for staff recruited before 1 January 2014 was not factored in the preparation of the proposed programme budget for 2016-2017, in particular, in the determination of posts earmarked to be abolished or frozen. Raising the mandatory age of separation in 2016 (or 2017) would therefore have a negative impact on the planned implementation of the proposed programme budget for the biennium 2016-2017, as programme managers would need to identify alternative measures to maintain the proposed budget level.

B. Comprehensive review of the common system compensation package

4. At its seventy-fifth session, in 2012, the Commission decided to include in its work programme for 2013-2014 a comprehensive review of the common system compensation package in order to ensure that its elements continue to be relevant. In its resolution 67/257, the General Assembly requested the Commission to report to the Assembly as soon as possible but no later than during the main part of its seventieth session on the final conclusions and recommendations of the comprehensive review.

5. As a result of the comprehensive review, the Commission is presenting recommendations with proposed transitional measures for existing staff for some of the recommendations, as well as the overall financial implications compared with the current package amounting to a net reduction of $113,200,000 per annum for the United Nations and other participating organizations of the common system, once the proposed transitional measures have been phased out and the proposed system is fully implemented. It is envisaged by the Commission that the full realization of this reduction would occur only in the sixth year of implementation, owing to the above-mentioned proposed transitional measures for existing staff. Therefore, should the effective implementation date of the recommendations be 1 January 2016, the full net reduction would only be realized from 1 January 2021 onward, after the transitional measures end. Of the overall estimated reduction, the financial impact on the programme budget of the United Nations and the budgets of peacekeeping operations, as provided by the Commission, would amount to a net reduction of $42,830,000[1] per year from the sixth year of implementation onward.

6. Should the General Assembly approve the recommendations made by the Commission, several actions would be required to implement the elements of the proposed system, including amendments to staff rules and regulations, and modifications required in the enterprise resource planning software (Umoja). As such, it is projected that the earliest implementation date would be on 1 July 2016 for the recommendations related to hardship allowance, additional hardship allowance/non-family service allowance, mobility incentive and relocation-related entitlements, which would require changes to the staff rules and relevant administrative instructions. Other elements, including the unified salary scale, spouse allowance, accelerated home leave, and repatriation grant, could only be implemented on 1 January 2017, owing to related amendments to the staff regulations requiring approval by the General Assembly. Since the Commission recommends that its proposals on the education grant scheme be implemented a full cycle of one school year after the one in progress at the time when the new scheme has been approved, it is projected that the implementation date for most staff would be 1 September 2017. The financial impact on the proposed programme budget for the biennium 2016-2017 and the budgets of peacekeeping operations presented in the following sections take into account the implementation dates stated above.

7. It should be noted that the modifications that would be required in the enterprise resource planning software (Umoja) are expected to entail additional costs, which will be determined after the General Assembly has made a decision on the recommendations of the Commission.

[1] Breakdown provided in the annex to the present report, table 4. The estimates provided by the Commission on the financial impact were used in the calculation of the budgetary implications for the proposed programme budgets and the budgets of peacekeeping operations. The estimates from the Commission were based on the total staff included in the United Nations System Chief Executives Board for Coordination personnel statistics as at 31 December 2012 (CEB/2013/HLCM/HR/12), which excluded the Field Service category; of the total 9,984 Professional staff in the United Nations common system, 4,211 (42.2 per cent) were funded from the programme budget and 3,037 (30.4 per cent) were funded from the budgets of peacekeeping operations.

Unified salary scale and recognition of dependents (based on the implementation date of 1 January 2017)

8. The current system reflects two salary scales, at single and dependent rates. The dependent rate salary is paid to staff with a dependent spouse, or to those without a dependent spouse but with a dependent child. The Commission recommends to the General Assembly the following: (a) a unified base/floor salary scale structure for all staff in the Professional and higher categories without regard to family status; (b) staff assessment rates to be used in conjunction with gross base salaries upon implementation of the unified salary scale; (c) the resulting pensionable remuneration scale; and (d) the establishment of a dependant spouse allowance at the level of 6 per cent of net remuneration. Staff with non-dependent spouses who are currently in receipt of the dependent rate salary by virtue of a first dependent child, would instead receive the child allowance. The proposed salary scale also reflects a structural change to the current scale that has varying grade spans and scale compressions. The proposal includes a more uniform salary scale, with 13 steps for grades P-1 to P-5, and with additional steps at the D-1 and D-2 levels. The Commission also recommends to grant within-grade step increments annually from step 1 to step 7 and biennially thereafter for staff in the Professional category, maintain biennial steps at the D-1 and D-2 levels in accordance with the present system and replace the current practice of granting accelerated step increments as an incentive with other cash or non-cash awards.

9. The Commission also makes recommendations on transitional arrangements as part of the conversion to the unified salary scale, including arrangements for (a) staff members who are in receipt of the dependent rate salary under the current compensation system in respect of a first dependent child but who would qualify for a child allowance under the revised system; (b) staff members whose pensionable remuneration as a result of the conversion to the unified salary scale would be lower than their current pensionable remuneration; and (c) staff members whose base salary, upon conversion, would be higher than the maximum salary for their grade on the unified salary scale.

10. The introduction of the proposed unified salary structure would result in an overall net reduction on the programme budget of the United Nations and the budgets of peacekeeping operations, after the proposed transitional measures have been phased out, of $6,160,000 per year.

11. The financial implications for the proposed programme budget of the United Nations for the biennium 2016-2017 are estimated at a net increase of $1,570,000, taking into account the proposed transitional measures and the implementation date of 1 January 2017.

12. The financial implications for the proposed budgets for peacekeeping operations for the financial period from 1 July 2016 to 30 June 2017 are estimated at a net increase of $570,000, taking into account transitional measures and the implementation date of 1 January 2017.

Hardship allowance, additional hardship allowance/non-family service allowance, and mobility incentive (based on the implementation date of 1 July 2016)

Hardship allowance

13. The current framework of hardship allowance has five categories of hardship (from A to E) depending on the duty station, and has the following elements: (a) payment of a flat amount, differentiated by the classification of duty station, grade and dependency status of staff; (b) staff in duty stations classified B to E receive payment with the amounts increasing as the level of hardship increases; and (c) payment amounts are grouped by grades: P-1 to P-3, P-4 to P-5 and D-1 to D-2.

14. The Commission recommends to the General Assembly an adjusted hardship system with one hardship rate, which would be differentiated by the classification of the duty station and grade level of staff, regardless of family status.

Additional hardship allowance

15. The current framework of the additional hardship allowance reflects a payment differentiated by grade level and dependency status of staff, with staff at the P-1 to P-3 levels receiving an allowance of $6,540 at the single rate, or $17,440 at the dependent rate; staff at the P-4 to P-5 levels receiving $7,845 at the single rate, or $20,920 at the dependent rate; and staff at the D-1 to D-2 levels receiving $8,700 at the single rate, or $23,250 at the dependent rate.

16. The Commission recommends replacing the existing additional hardship allowance with a non-family service allowance that reflects a payment of a flat amount, based on the family status of staff only. Under the proposed system, staff members with a dependent would be paid an allowance of $19,800 per annum, while other staff members would receive $7,500.

Mobility allowance

17. The current framework of the mobility allowance comprises: (a) an allowance paid at A to E duty stations from the second assignment and increased for each subsequent move up to the seventh assignment, after which the rate remains the same; (b) payable at H locations to staff who have at least two previous assignments in A to E locations, or payable from the fourth assignment at H locations, and reaches a maximum on the seventh or subsequent assignment; and (c) a flat amount, differentiated by the number of assignments, grade and dependency status.

18. The Commission recommends to the General Assembly the introduction of a mobility incentive in lieu of the current mobility allowance. Under the proposed system, flat amounts differentiated by grade only would be payable to staff serving at A to E duty stations with at least two assignments in such locations, with payments for a maximum period of five years at the same duty station at the following amounts: $6,500 per annum at the P-1 to P-3 levels; $8,125 at the P-4 to P-5 levels; and $9,750 for D-1 and higher levels. The incentive would not be payable at H locations. The Commission also proposes transitional measures in implementing the mobility incentive for staff members who moved before the implementation date, with continuation of payment of the current mobility allowance amounts for up to five years at the same duty station, or until movement to another duty station.

Combined financial implications

19. The approval of the recommendations above on hardship allowance, additional hardship allowance/non-family service allowance and mobility incentive would result in a combined overall net increase on the programme budget of the United Nations and the budgets of peacekeeping operations, after the transitional measures have been phased out, of $1,360,000 per year.

20. The financial implications for the proposed programme budget of the United Nations for the biennium 2016-2017, are estimated at a net increase of $1,080,000, taking into account the transitional measures and the implementation date of 1 July 2016.

21. The financial implications for the proposed budgets for peacekeeping operations for the financial period 1 July 2016 to 30 June 2017 are estimated at a net increase of $4,390,000, taking into account transitional measures and the implementation date of 1 July 2016.

Education and special education grant (based on the implementation date of 1 September 2017)

22. The reimbursement mechanism of the existing regular education grant scheme is based on a system of 15 currency/country zones, with a maximum admissible expenses threshold associated with each zone and staff reimbursed on a cost-sharing principle up to 75 per cent of the costs. Admissible expenses include tuition, enrolment-related fees, books, daily transportation to school and other miscellaneous expenses, including capital assessment fees. The current scheme also reimburses boarding expenses within the limits of the admissible expenses for all levels and duty stations. Education grant travel is provided for each scholastic year when the child is studying away from the duty station of the staff member. Education grant is currently payable to eligible staff up to the time when the child ceases to be in full-time attendance at an educational institution or completes four years of post-secondary studies, and ceases after the scholastic year in which the child reaches the age of 25.

23. The Commission recommends to the General Assembly that: (a) the criteria of the coverage of post-secondary education should be revised to make the grant payable up to the end of the school year in which the child completes four years of post-secondary studies or attains the first post-secondary degree, whichever is earlier, subject to the upper age limit of 25 years; (b) the cost-sharing principle should be maintained; (c) expenses considered admissible under the scheme would be tuition (including mother tongue language tuition) and enrolment-related fees as well as assistance with boarding expenses; (d) tuition and enrolment-related expenses would be reimbursed under a global sliding scale consisting of seven brackets, with declining reimbursement levels ranging from 86 per cent at the lowest bracket to 61 per cent at the sixth bracket to zero per cent at the seventh bracket; (e) boarding-related expenses would be paid a lump sum of $5,000 only to staff serving at field locations whose children are at the primary or secondary level and in a boarding school outside of the staff member's duty station, while recognizing that, in exceptional cases, boarding assistance could be granted to staff at "H" duty stations under the discretionary authority of the executive head; (f) education grant travel would be provided for each scholastic year for the child of

staff in receipt of assistance with boarding expenses; and (g) capital assessment fees would be covered outside of the education grant scheme by organizations.

24. With regard to the special education grant, the Commission recommends to the General Assembly that: (a) the scheme be maintained in terms of the conditions of entitlement, the list of admissible expenses, the eligibility for boarding assistance and the provision of education grant travel; (b) the maximum admissible expenses should be synchronized with the regular education grant, to set the maximum equal to the upper limit of the top bracket of the global sliding scale applicable; and (c) for boarding assistance, actual expenses should be used in the calculation of total admissible expenses for reimbursement within the overall grant ceiling equal to the upper limit of the top bracket of the global sliding scale plus the amount of $5,000, equivalent to the boarding lump sum provided in the regular education grant scheme.

25. The recommendations above would entail an overall net reduction of $15,920,000 per year that would impact the programme budget of the United Nations and the budgets of peacekeeping operations. Although there are no transitional measures recommended under this category, the Commission recommends that the new education grant scheme, for both the regular and the special education grants, be implemented a full cycle of one school year after the one in progress at the time when the new scheme has been approved, which is expected to be 1 September 2017 for most staff.

26. Based on the above, the financial implications for the proposed programme budget of the United Nations for the biennium 2016-2017 are estimated as a net decrease of $3,080,000. Given the proposed implementation date of 1 September 2017, there would be no financial implication on the upcoming proposed budgets of peacekeeping operations for the financial period from 1 July 2016 to 30 June 2017.

Accelerated home leave (based on the implementation date of 1 January 2017)

27. Under the current scheme, staff serving in H, A, and B duty stations are entitled to home leave every 24 months, whereas staff serving in C, D and E duty stations are entitled to accelerated home leave every 12 months. In addition, periodic rest and recuperation travel are also granted to staff in duty stations with a high level of hardship.

28. The Commission recommends to the General Assembly the discontinuation of the accelerated home leave travel in view of the overlap between the accelerated home leave and rest and recuperation travel.

29. The full cost reduction for the programme budget of the United Nations and the budgets of peacekeeping operations of the discontinuation of accelerated home leave proposed above would amount to $13.5 million per year. There are no transitional measures proposed for the discontinuation of this entitlement.

30. The financial implications for the proposed programme budget of the United Nations for the biennium 2016-2017 are estimated as a net decrease of $1,930,000, based on the implementation date of 1 January 2017.

31. The financial implications on the proposed budgets for peacekeeping operations for the financial period 1 July 2016 to 30 June 2017 have been estimated as a net decrease of $5,790,000, based on the implementation date of 1 January 2017.

Repatriation and relocation-related elements, termination indemnity and death grant (based on the implementation date of 1 July 2016 for relocation-related elements and 1 January 2017 for all other elements)

Repatriation grant

32. Under the current repatriation grant scheme, payment of repatriation grant is made to all staff undergoing a geographical move upon separation from service, even to those with a short period of service. The payment amounts to four weeks of net base salary for each of the first two years of expatriate service plus two weeks for each additional year up to 12 years of service for staff with dependents, with a reduced amount for single staff.

33. The Commission proposes a new scheme that takes into account a threshold on the eligibility requirements. The Commission recommends to the General Assembly that: (a) the rationale of the repatriation grant be confirmed as an earned service benefit payable to expatriate staff members who leave the country of the last duty station upon separation; and (b) a threshold of five years of expatriate service be established as an eligibility requirement for the repatriation grant.

Relocation

34. The current scheme for the relocation package provides for: (a) relocation travel; (b) relocation shipment, including the option for full removal by the organization up to an established weight/volume entitlement by family size, or the non-removal allowance, or the relocation-grant allowance amounting to $15,000 for staff with eligible family members or $10,000 for single staff; and (c) assignment grant, including one-month's salary, 30 days of local daily subsistence allowance, plus 30 days at 50 per cent for each eligible family member.

35. The Commission recommends establishing a new relocation package featuring relocation travel, relocation shipment and a settling-in grant. With the introduction of the new package, the Commission is recommending the discontinuation of the non-removal allowance, as well as the assignment grant and relocation grant. The proposed scheme reflects changes on the relocation shipment, including options on full removal managed by the organization up to an established volume entitlement by family size, or full removal managed by staff and reimbursed by the organization up to an established volume entitlement by family size, or lump sum paid to staff equivalent to 70 per cent of actual cost of shipment for the established entitlement, or the option to a lump sum set by organizations based on 70 per cent of the cost of past shipments not exceeding $18,000. The proposed scheme also reflects a settling-in grant, including 30 days of local daily subsistence allowance for staff and 30 days at 50 per cent for each eligible family member plus a lump-sum equivalent to base salary, plus applicable post adjustment at the P-4 step VI level.

36. The Commission also makes recommendations on transitional arrangements that would be required for the repatriation, relocation and assignment related elements including: (a) measures for current staff to maintain their eligibility to the repatriation grant under the present schedule up to the number of years accrued at the time of the implementation of the new scheme; and (b) measures for staff who moved before the implementation date and opted for the non-removal of household goods option (i.e., partial removal) would continue to receive the non-removal

allowance for up to five years of service at the same duty station or until such time that the staff member moves to another duty station.

Termination indemnity and death grant

37. It should be noted that the proposed introduction of the unified salary scale for all staff in the Professional and higher categories would also have implications for other elements of the compensation package, currently linked to the salary scale directly. Separation payments, which include the termination indemnity, death grant and repatriation grant, all have payment schedules based on the current salary scale. As such, changes to the salary scale would logically affect the amounts payable under those schemes.

Combined financial implications

38. The approval of the recommendations above on repatriation and relocation-related elements, termination indemnity and death grant would result in a combined overall net reduction of $8,610,000 per year on the programme budget of the United Nations and the budgets of peacekeeping operations, after phasing out the transitional measures.

39. The financial implications for the proposed programme budget of the United Nations for the biennium 2016-2017 are estimated at a net increase of $1.3 million, taking into account transitional measures and the implementation dates of 1 July 2016 for relocation-related elements, and 1 January 2017 for all other elements.

40. The financial implications for the proposed budgets of peacekeeping operations for the financial period 1 July 2016 to 30 June 2017 are estimated at a net increase of $870,000, taking into account transitional measures and the implementation date of 1 July 2016 for relocation-related elements, and 1 January 2017 for all other elements.

III. Remuneration of the Professional and higher categories: review of the base/floor salary scale

41. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in section I.H of its resolution 44/198. The scale was set by reference to the General Schedule salary scale of the comparator civil service, currently the United States federal civil service, excluding any locality pay. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate) with the corresponding salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively). The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, that is, by increasing base salary while commensurately reducing post adjustment.

42. The Commission was informed that a 1 per cent increase had been implemented in the comparator's base General Schedule scale, effective 1 January 2015. Minor changes were also introduced in the United States tax schedules at the federal level for 2015. For the State of Maryland and the State of Virginia, no

changes were recorded in the tax legislation for 2015. For the Federal District of Columbia, several changes were introduced with a view to lowering the tax burden.

43. Therefore, the Commission recommends to the General Assembly for approval with effect from 1 January 2016, subject to the decision on the unified salary scale, the revised base/floor salary scale for Professional and higher categories, as shown in annex IV to the report of the Commission, reflecting a 1.08 per cent increase in the base/floor salary scale and a commensurate reduction in post adjustment multiplier points, resulting in no change in net take-home pay.

44. The financial implications with respect to the adjustment to the base/floor salary scale for the proposed programme budget of the United Nations for the biennium 2016-2017 are estimated at an increase of $232,100[2] for the year 2016, subject to the decision on the unified salary scale with the implementation date of 1 January 2017.

45. The financial implications with respect to the adjustment to the base/floor salary scale for peacekeeping operations have been estimated at an increase of $83,600 for the financial period 1 July 2015 to 30 June 2016 (six months), subject to the decision on the unified salary scale with the implementation date of 1 January 2017.

IV. Remuneration of the General Service and other locally recruited categories

A. Survey of the best prevailing conditions of employment in New York

46. On the basis of the methodology for surveys for Headquarters and similar duty stations, the Commission conducted a survey of best prevailing conditions of employment of the General Service and other locally recruited staff in New York, with a reference date of November 2014 for the five categories of locally recruited staff in New York, namely, General Service, Security Service, Trades and Crafts, Language Teachers and Public Information Assistants. In accordance with an earlier decision of the Commission, salary levels for four of the categories should be adjusted in accordance with the same percentage as that agreed for the General Service category. The salary scales for all five categories of locally recruited staff in New York, as recommended by the Commission to the executive heads of the New York-based organizations, are reproduced in annex VIII.A to E to the report of the Commission. The recommended salary scales for all five categories of locally recruited staff in New York are 5.8 per cent lower than the current scales. Also, in view of General Assembly resolution 68/253, in which the Assembly requested the Commission not to increase any of the allowances until the results of the comprehensive review had been submitted to the Assembly for consideration, the Commission recommends that dependency allowances for staff in the General Service and related categories of the common system organizations in New York be maintained at their current levels.

[2] The annual estimated cost implications arising from this recommendation to the United Nations common system amounts to $550,000. In calculating the amount of implications for the programme budget, the United Nations System Chief Executives Board for Coordination personnel statistics as at 31 December 2012 (CEB/2013/HLCM/HR/12) was used, which showed that of the total of 9,984 Professional staff in the United Nations, 4,211 (42.2 per cent) were funded from the programme budget.

47. The recommended salary scales are expected to be implemented only with respect to staff recruited on or after the date of promulgation by the New York-based organizations, while the salary scales would be frozen for existing staff in accordance with standard practice. Consequently, the financial implications resulting from the freeze of the salary scales for existing staff are estimated to be a reduction of approximately $16 million. The actual amount will be determined in context of the forthcoming report of the Secretary-General on the revised estimates: effect of changes in rates of exchange and inflation. There are no financial implications on the budgets of peacekeeping operations for the financial period from 1 July 2015 to 30 June 2016.

B. Survey of the best prevailing conditions of employment in Kingston and London

48. As a result of the entry of the International Seabed Authority, headquartered in Kingston, into the United Nations common system, the International Civil Service Commission, under article 12 of its statute, shall establish the relevant facts for, and make recommendations as to, the salary scales of staff in the General Service and other locally recruited categories. In line with its earlier decision, the Commission conducted a survey of best prevailing conditions in Kingston on the basis of survey methodology II, with a reference date of September 2014. The new salary scale for the General Service and National Professional Officer categories of the organizations of the common system in Kingston, as recommended by the Commission to the executive heads of the Kingston-based organizations, is reproduced in annex VII.A and B to the report of the Commission.

49. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (survey methodology I), the Commission conducted a survey in London, with a reference date of May 2015. The revised net salary scale for staff in the General Service category in London, as recommended by the Commission to the executive heads of the London-based organizations, is reproduced in annex IX to the report of the Commission.

50. It should be noted that there are no categories of General Service and other locally recruited staff funded from the programme budgets or peacekeeping operations budgets in Kingston and London. Accordingly, there are no financial implications for the proposed programme or peacekeeping operations budgets with respect to the recommendation to implement the recommended salary scale for General Service and other locally recruited staff.

V. Conclusions and recommendations

51. **The financial implications from the decisions and recommendations of the International Civil Service Commission are summarized as follows:**

(a) **The financial implications for the proposed programme budget for the biennium 2016-2017 are estimated at an approximate net reduction of $16,827,900;**

(b) The financial implications for the budgets of peacekeeping operations for the financial period 2015/16 (six months) and 2016/17 (one year) are estimated at a net increase of $83,600 and $40,000, respectively.

52. **Should the General Assembly approve the recommendations of the Commission:**

(a) The reduction in requirements for the programme budget of the United Nations for the biennium 2016-2017 would be addressed in the context of the revised estimates: effect of changes in rates of exchange and inflation for the biennium 2016-2017;

(b) The reduction in requirements for the budgets for peacekeeping operations would be taken into account in the performance reports for the period 1 July 2015 to 30 June 2016 and in the preparation of the proposed budgets for the period 1 July 2016 to 30 June 2017.

Annex

Summary of financial implications resulting from the recommendations of the International Civil Service Commission

Table 1

Summary of financial implications for the proposed programme budget of the United Nations for the biennium 2016-2017 resulting from the recommendations of the Commission on the conditions of service applicable to Professional and higher categories and General Service and other locally recruited categories: comprehensive review of the common system compensation package[a,b]

(Thousands of United States dollars)

	2016	*2017*	*2016-2017*
1. Unified salary scale and recognition of dependants			
(a) Base salary scale; post adjustment; spouse allowance and child allowance	–	1 570	1 570
2. Hardship allowance; additional hardship allowance/ non-family service allowance and mobility incentive			
(a) Hardship allowance	250	490	740
(b) Additional hardship allowance/non-family service allowance	70	140	210
(c) Mobility allowance/incentive	50	80	130
Subtotal	**370**	**710**	**1 080**
3. Education grant/travel/special education grant	–	(3 080)	(3 080)
4. Accelerated home leave	–	(1 930)	(1 930)
5. Other payments			
(a) Termination indemnity, death grant	–	(120)	(120)
(b) Repatriation grant	–	(250)	(250)
(c) Relocation-related elements	700	970	1 670
Subtotal	**700**	**600**	**1 300**
Total, comprehensive review	**1 070**	**(2 130)**	**(1 060)**

[a] Includes provisions for transitional measures.

[b] In calculating the amount of implications for the programme budget, the Chief Executives Board personnel statistics as at 31 December 2012 (CEB/2013/HLCM/HR/12) was used, which showed that of the total of 9,984 Professional staff in the United Nations common system, 4,211 (42.2 per cent) were funded from the programme budget.

Table 2

Summary of the total financial impact for the proposed programme budget for the biennium 2016-2017

(Thousands of United States dollars)

	2016-2017
Comprehensive review of the common system compensation package	(1 060)
Remuneration of the Professional and higher categories: review of the base/floor salary scale	232.1
Remuneration of the General Service and other locally recruited categories: survey of best prevailing conditions of employment for General Service and related categories in New York	(16 000)
Total	**(16 827.9)**

Table 3

Summary of financial implications for the budgets of peacekeeping operations for the period from 1 July 2016 to 30 June 2017 resulting from the recommendations of the Commission on the conditions of service applicable to Professional and higher categories and General Service and other locally recruited categories: comprehensive review of the common system compensation package[a,b]

(Thousands of United States dollars)

	1 July 2016 to 30 June 2017
1. Unified salary scale and recognition of dependants	
(a) Base salary scale; post adjustment; spouse allowance and child allowance	570
2. Hardship allowance; additional hardship allowance/non-family service allowance, and mobility incentive	
(a) Hardship allowance	2 940
(b) Additional hardship allowance/non-family service allowance	870
(c) Mobility allowance/incentive	580
Subtotal	**4 390**
3. Education grant/travel/special education grant	–
4. Accelerated home leave	(5 790)
5. Other payments	
(a) Termination indemnity, death grant	(40)
(b) Repatriation grant	(90)
(c) Relocation-related elements	1 000
Subtotal	**870**
Total, comprehensive review	**40**

[a] Includes provisions for transitional measures.

[b] In calculating the amount of implications for the budgets of the peacekeeping operations, the Chief Executives Board personnel statistics as at 31 December 2012 (CEB/2013/HLCM/HR/12) was used, which showed a total of 3,037 (30.4 per cent) staff funded from peacekeeping operations.

Table 4

Summary of financial implications of the recommendations of the Commission on the common system compensation package (per year — in the sixth year of implementation, without transitional measures)

(Thousands of United States dollars)

	Total impact on United Nations common system and other participating organizations[a]	*Share of the impact under the proposed programme budget of the United Nations*	*Share of the impact under the budgets of the peacekeeping operations*	*Total share under the proposed programme budget and the budgets of the peacekeeping operations*
		(a)	*(b)*	*(c) = (a) + (b)*
1. Unified salary scale and recognition of dependants				
(a) Base salary scale; post adjustment: spouse allowance and child allowance	(20 500)	(3 580)	(2 580)	(6 160)
2. Hardship allowance; additional hardship allowance/non-family service allowance, and mobility incentive				
(a) Hardship allowance	8 000	490	2 940	3 430
(b) Additional hardship allowance/ non-family service allowance	1 700	140	870	1 010
(c) Mobility allowance/incentive	(9 300)	(440)	(2 640)	(3 080)
Subtotal	**400**	**190**	**1 170**	**1 360**
3. Education grant/travel/special education grant	(38 000)	(9 250)	(6 670)	(15 920)
4. Accelerated home leave	(35 300)	(1 930)	(11 570)	(13 500)
5. Other payments				
(a) Termination indemnity, death grant	(900)	(110)	(80)	(190)
(b) Repatriation grant	(1 900)	(250)	(180)	(430)
(c) Relocation-related elements	(17 000)	(4 640)	(3 350)	(7 990)
Subtotal	**(19 800)**	**(5 000)**	**(3 610)**	**(8 610)**
Total, comprehensive review	**(113 200)**	**(19 570)**	**(23 260)**	**(42 830)**

[a] Based on the report of the International Civil Service Commission for 2015 (A/70/30), table 1.